(2) No. 95-731

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1995

AMERICAN HOME PRODUCTS CORPORATION
and HERCHEL SMITH,

Petitioners,

—v.—

JOHNSON & JOHNSON and
ORTHO PHARMACEUTICAL CORPORATION,

Respondents.

BRIEF IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

David F. Dobbins
PATTERSON, BELKNAP, WEBB
& TYLER, LLP
1133 Avenue of the Americas
New York, New York 10036
(212) 336-2000

Counsel of Record
for Respondents

Of Counsel:

Eric I. Harris
JOHNSON & JOHNSON
One Johnson & Johnson Plaza
New Brunswick, NJ 08933

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COUNTERSTATEMENT OF QUESTIONS PRESENTED FOR REVIEW

1. Is the issue of whether on the particular facts of this case there was no abuse of discretion by the trial court in denying a motion for a new trial an appropriate one for review by this court?

2. Is the legal sufficiency of an agreed upon jury charge whose content was never challenged, either in the trial court or appellate court, a proper subject for review by this court?

Counterstatement of the Case

Petitioner ("AHP") is simply wrong in asserting that the unfair competition counterclaim charging it with bad faith litigation in instituting and continuing to prosecute this case was "insufficient as a matter of law." (Pet. p. 3). There was never such a determination and this court should not make one. As discussed below, the record fairly reeked of AHP's bad faith in instituting and prosecuting the patent infringement action. Prior to the onset of discovery for trial on the merits and subsequent to the reversal of the preliminary injunction, AHP moved to dismiss or, in the alternative, for summary judgment on the unfair competition counterclaim. (JA 1088-89). The respondents -- the accused infringers below, Johnson & Johnson and Ortho Pharmaceutical Corporation (hereafter sometimes referred to as "J&J") -- submitted an affidavit under Rule 56(f), Fed.R.Civ.P. setting forth what facts J&J believed it would uncover during discovery which would establish the objective baselessness of the charge of infringement, and based on that affidavit (A4707-4708), the trial court denied summary judgment. (A18). At no time prior to the trial or following completion of discovery did AHP renew its motion for summary judgment. Yet AHP in effect asks this court to sift through this voluminous record and make a *de novo* determination of whether such a motion, if made, should have been granted.

The alleged prejudice which AHP claims it suffered and which, it claims, merits review by this court as to whether it should be given a new trial was engendered by AHP itself. It was AHP that insisted on having the counterclaim tried to the same jury simultaneously with its charge of willful infringement. J&J twice requested bifurcation several weeks prior to the trial, explaining that separate trials, first on infringement and then on its counterclaim, would "avoid *prejudice*, minimize expense and delay . . . and result in a just and final disposition of the

litigation . . . .'" (A1701-1702; A1708-1712) (emphasis added). AHP resisted, stating that it did "not believe bifurcation would be appropriate", quoting cases to the effect that "bifurcation has been characterized as the 'exception rather than the rule'" (A1703-1707), and ultimately convinced the trial court to deny bifurcation. (A1713).

AHP's motive for resisting bifurcation was obvious. As discussed below, it knew its factual case for proving infringement was non-existent. By having the unfair competition counterclaim tried together with its infringement charge, it was able to get in evidence certain documents relevant to J&J's counterclaim, but otherwise clearly not admissible in its own infringement case. These documents, discussed below, were AHP's only "proof" of alleged infringement. It is a fair inference that these documents, although legally irrelevant on the infringement claim, were probably used by the jury to conclude that J&J had failed to prove by clear and convincing evidence its counterclaim of sham litigation.

The Federal Circuit did not have to and did not reach the issue of whether there was substantial evidence supporting J&J's charge of sham litigation. It did not do so because, after a careful review of the complicated record and the one hundred forty pages of briefs submitted to it, mostly devoted to an analysis of the evidence, it found as follows:

> In addition to the allegedly improper evidence [relating to the counterclaim], the jury heard substantial evidence that claim 6 of the '746 patent, properly construed in light of the prior art and AHP's other patents, does not read on the accused use of norgestimate contraceptives. The judge explained the

> claim and counterclaim to the jury with the adequate instructions. The jury considered the evidence in accordance with these instructions, concluding that J&J had not infringed the patent and that AHP had not engaged in unfair competition. AHP got a fair trial on its claim of infringement; that is all the law demands. (Pet. App. A11).

The evidence establishing non-infringement for the most part, however, was essentially the same as that going to AHP's good faith or lack thereof. Contrary to AHP's intimations, this is the usual situation involved in sham litigation counterclaims in patent litigation. As noted in Kobak, *Professional Real Estate Investors* And The Future Of Patent-Antitrust Litigation: *Walker Process* and *Handgards* Meet *Noerr-Pennington*, 63 Antitrust L.J. 185 at 211 (1994):

> There is no doubt that *Handgards* claims will be raised in the future since they so naturally arise as counterclaims to infringement litigations and are based on the same facts of noninfringement, invalidity, or inequitable conduct that constitute the basis for the affirmative defenses. The two-part test of PRE will just as clearly apply to such claims.

The charge of infringement was that use of norgestimate as an oral contraceptive infringed a patent claim for the use of norgestrel acetate as an oral contraceptive, a laboratory compound never marketed for such use or for any other sort of use. The infringement charge was not for literal infringement, but rather infringement under the doctrine of equivalents, *i.e.*, that norgestimate was substantially the same

as norgestrel acetate. AHP's theory for which it had no reliable proof and which was decisively disproved by its own blood studies was that norgestimate metabolized into substantial amounts of norgestrel acetate.

As explained in the Federal Circuit's opinion, this litigation was instituted by AHP in September, 1991 (*AHP II*), as a sequel to an earlier patent litigation instituted by J&J in January, 1990 (*AHP I*). Both involved norgestimate, the first new oral contraceptive to be marketed in twenty years, which was widely recognized as being less androgenic, *i.e.*, having fewer or less severe male hormonal side effects, and thus safer and more efficacious. AHP, the major competitor of J&J in the oral contraceptive market, was doing everything in its power to stop this drug from being marketed. In 1990, because a broad generic patent owned by AHP, but different from the one AHP sued on in this action, concededly covered norgestimate, J&J brought a declaratory judgment to determine whether or not that patent was valid (*AHP I*). In the event it was, J&J conceded infringement. The trial court held that this broad generic patent was valid, and the Federal Circuit affirmed that judgment. *Ortho Pharmaceutical Corp. v. Smith*, 18 U.S.P.Q.2d 1977 (E.D. Pa. 1990), *aff'd*, 959 F.2d 936 (Fed. Cir. 1992).

The patent involved in *AHP I* expired in November, 1991, but AHP was determined to extend the duration of its patent monopoly to keep norgestimate off the market, even if it had to make up a claim, which it proceeded to do. The proposed findings AHP submitted to the trial court in an expedited trial held in *AHP I* during June 1990, included a deliberately ambiguous finding to the effect that "it may be as much as 85 percent of the [therapeutic activity of norgestimate] must be accounted for from the [combined] activity of norgestrel and norgestrel [17-]acetate [norgestrel

acetate]." (Finding 68, 18 U.S.P.Q.2d at 1985-1986). The trial court in *AHP I* simply adopted this proposed finding as part of an indiscriminate adoption of all of the findings proposed by AHP. AHP made this particular finding deliberately ambiguous because there was no evidence that *any* amounts of norgestimate metabolized into norgestrel acetate. It did this to lay the groundwork for bringing *AHP II* in an attempt to extend its patent monopoly beyond November, 1991. The patent claim for use of norgestrel acetate as an oral contraceptive did not expire until January 1994.

The problem was that AHP did not have and never has had *any* objective evidence that norgestimate did metabolize into norgestrel acetate to any significant extent. Its own study indicated that norgestimate did not metabolize into norgestrel acetate at all. (A4186-4205). The sole surrogate for proof which AHP had was some concededly inaccurate quantifications done in a process known as thin layer chromatography ("TLC") which purported to show a range of norgestrel acetate up to 10% of the norgestimate metabolites. (A5079). No expert on either side, however, has ever stated that this TLC procedure could be relied upon for any accurate quantification of metabolites. It is undisputed that all that study indicated was that norgestrel acetate in some unknown amount may exist as a metabolite of norgestimate, and that using TLC it is impossible to quantify it with any degree of accuracy. (A5630; A6055-6056). Its own expert, in fact, conceded that that study was only "a starting point for more intensive investigations." (A5157).

The hallmark of AHP's bad faith was and still remains its refusal, unexplained over the four years of the course of this litigation, to do accurate metabolite studies of norgestimate prior to bringing this suit to determine if any

significant amounts of that drug metabolized into norgestrel acetate. Since the suit was filed in September 1991, J&J produced its own high-performance liquid chromatography ("HPLC") study which showed only trace amounts of norgestrel acetate as the metabolite of norgestimate. The results of these sophisticated studies were produced to AHP during the course of the discovery done prior to the hearing of the preliminary injunction motion. AHP has now admitted that had this data been produced prior to its bringing suit, it "may well not have brought" infringement suit or sought the preliminary injunction. AHP's Memorandum in Support of Motion to Discharge Undertaking, dated November 3, 1995, filed in this action (E.D.Pa. Civ. Action No. 91-5594, p. 19). In a recent discovery motion, AHP further conceded that had it had more time to evaluate these data, "no wrongful injunction likely would have been obtained." Memorandum of AHP in Support of Its Motion to Compel Compliance with Subpoenas, and for Costs, dated November 6, 1995 (E.D. Pa. Civ. Action No. 94-1388, p. 3).

Despite the fact that it had done no studies showing that norgestimate metabolized into anything but trace amounts of norgestrel acetate, AHP persisted in pressing the motion for a preliminary injunction in this action, *AHP II*. AHP successfully convinced the trial court that by virtue of Finding 68, which AHP managed to fob off on the trial court in the earlier action, norgestimate had "been declared judicially to be the equivalent" of norgestrel acetate. AHP then pointed to the inaccurate TLC data as substantiating this supposed finding. It managed to convince the trial court in *AHP II* that this earlier finding that "up to 85% of the norgestimate activity *may be* due to the activity of norgestrel *and* norgestrel acetate," constituted such a judicial declaration. Granting of this preliminary injunction actually astonished AHP itself, its trial counsel jubilantly explaining to its in-house counsel that "we took a long-shot, and we

won." (A5904). It is this misapplication of the doctrine of collateral estoppel that AHP now asserts granted it immunity, as a matter of law, to pursue the patent litigation in bad faith.

After the Federal Circuit had reversed the preliminary injunction, AHP finally did its own HPLC studies, using an even more sophisticated variation to that procedure used in J&J's earlier HPLC studies, and these findings dovetailed almost precisely with those of J&J's, yielding only trace amounts of norgestrel acetate. Yet it persisted in trying this case despite and in the face of the admission of its own expert that any metabolism of norgestimate into norgestrel acetate constituted a "bonus" and that at least 50% of norgestimate could not conceivably have even transitorily metabolized into norgestrel acetate. Its expert likewise conceded that norgestimate does not "function the same way and produce the same result" as norgestrel acetate. (A5140; A5214). This tri-partite analysis of function, way, and result is the classic formulation for determining infringement under the doctrine of equivalents articulated by this court in *Graver Tank v. Linde Air Products Co.*, 339 U.S. 605 (1950).

In short, this was the substantial evidence from which the jury could find not only infringement, but could legitimately have found AHP was acting in bad faith, both in instituting and continuing to prosecute this action.

As a surrogate for legitimate proof, AHP concocted a metaphysical hypothesis, dubbed at trial the "phantom metabolite theory," which is explained in detail in the opinion of the Federal Circuit reversing preliminary injunction. *American Home Products Corp. v. Johnson & Johnson*, 25 U.S.P.Q.2d 1954 (Fed. Cir. 1992). It is not necessary to discuss it in detail except to note that it postulates the unproved and unverified existence of norgestrel acetate as an

intermediate metabolite of norgestimate, *i.e.*, one never detected in the blood -- hence, the so-called phantom metabolite theory. This very theory, however, has been rejected as a matter of law by the Federal Circuit as being fanciful. *Zenith Laboratories, Inc. v. Bristol-Myers Squibb Co.*, 19 F.3d 1418 (Fed. Cir.), *cert. denied*, ___ U.S. ___, 115 S.Ct. 500 (1994).

In short, it is mind boggling for AHP to assert that J&J "never tried to refute the objective merit of petitioners' infringement claim." (Pet. p. 5). Indeed, the twenty witnesses which AHP points to as having testified regarding the bad faith of AHP in pressing this charge actually testified for the most part as to the merits or lack of merit of this claim of infringement, and most of those were called by AHP.

ARGUMENT

I. Denial Of The Motion For A New Trial Was Not An Abuse of Discretion And Is Not An Appropriate Issue For Review By This Court

AHP places great reliance upon its originally having obtained, contrary to its own expectations, a preliminary injunction by the District Court, which was reversed by the Federal Circuit in a 2-to-1 opinion as being dispositive of its lack of bad faith. Indeed, it constantly paraded the District Court's opinion as well as the dissenting opinion in the Federal Circuit before the jury, supposedly as proof of its evidence of good faith and, judging from the jury's verdict on the counterclaim, with apparent success. It is well established decisional law, ignored by AHP, however, that the mere initial success in the early stages of a litigation does not provide, as a matter of law, the absolute immunity which

AHP asserts, without citation of authority, that it achieved by virtue of getting this preliminary injunction. *Boulware v. Nevada Dep't of Human Resources*, 960 F.2d 793, 799 (9th Cir. 1992), while affirming a summary judgment dismissing a sham litigation complaint under the antitrust laws, rejected a similar *per se* contention by the antitrust defendant based upon its initial success in an injunction in the prior Nevada state court subsequently reversed on appeal. In that case the Ninth Circuit stated:

> Both the initial success on the merits and the subsequent reversal are relevant to the inquiry but neither factor is determinative. The court hearing the anti-trust claim must make its own assessment of the objective merits of the predicate suit and decide whether it was intended to inflict anticompetitive injury through the legal process or by virtue of the legal outcome.

Subsequent to this court's decision in *Professional Real Estate Investors, Inc. v. Columbia Pictures Indus., Inc.*, __ U.S. __, 113 S.Ct. 1920 (1993) ("PRE"), the Federal Circuit in *FilmTec Corporation v. Hydranautics*, 67 F.3d 931 (Fed. Cir. 1995), in affirming the dismissal of a sham litigation counterclaim in a patent suit, endorsed the foregoing rule articulated in *Boulware*, stating:

> On the other hand, a preliminary success on the merits does not necessarily preclude a court from concluding that litigation was baseless. *See Boulware*, 960 F.2d at 798-99.

Finally, the Ninth Circuit in a related case, *Hydranautics v. FilmTec Corporation*, __ F.3d __,

No. 93-56426, 1995 WL 675833 (9th Cir., Mar. 9, 1995), reversed a dismissal of essentially the same sham litigation complaint as before the Federal Circuit, holding that the inquiry was essentially a fact bound one, stating:

> We do not decide whether the case at bar is distinguishable, on the ground that FilmTec's alleged fraud would render FilmTec's patent infringement claim objectively baseless. The Federal Circuit held that as a matter of law, FilmTec's case was not objectively baseless, but said "there is no dispute over the facts." In the procedural posture of the case before us, it would not be correct to say that there is no dispute as to the facts.

With respect to FilmTec's initial success in obtaining a reversed injunction result, the Ninth Circuit explicitly rejected its argument that this initial success, as a matter of law, established that the patent action was prosecuted in good faith.

In short, it has been the established law since at least *Franchise Realty Interstate Corp. v. San Francisco Local Joint Executive Board*, 542 F.2d 1076 (9th Cir. 1976), *cert. denied*, 430 U.S. 940 (1977), that initial success in the litigation process does not, as a matter of law, immunize a party accused of bad faith litigation under the first amendment. *PRE* did nothing to change this rule.

Contrary to AHP's assertion, the Federal Circuit in this case was not guilty of having "propounded a novel *per se* rule of law: that a jury ruling in one party's favor on an opposing party's claim necessarily implies that the jury has rejected the losing party's evidence for all purposes." (Pet. p. 7).

Because both sides agreed to a general verdict on the unfair competition counterclaim, it is impossible to tell whether the jury found that J&J had not proved by clear and convincing evidence that, either AHP had acted in objective bad faith, or the second prong of the unfair competition counterclaim, namely, that the infringement claim had been made for an illegal anti-competitive purpose. It is quite clear, however, that the jury rejected at least one of these two charges.

In addition, AHP's claim was barred under the doctrine of *res judicata*. This bar of claim preclusion or *res judicata*, if applicable, clearly indicated AHP's bad faith because it presented a clear cut question of law based on undisputed facts. The sole reason for the trial court's denial of J&J's summary judgment motion based on *res judicata* was its confusion of the term "claim" as used in 35 U.S.C. § 112 with the term "claim" as it is used in applying the doctrine of *res judicata*. (A1067). The evidence affirmatively disproving AHP's charge of infringement was overwhelming. For this reason, the Federal Circuit did not pass upon and decide whether or not AHP's infringement claim was insufficient as a matter of law. As noted above, it previously had held that a phantom metabolite theory advanced by AHP was insufficient as a matter of law. *Zenith Laboratories, Inc. v. Bristol-Myers Squibb Co., supra*. It did not pass on this legal issue, nor did it consider the *res judicata* issue. It is clear, however, that *res judicata* applied.

Again AHP assumed its success in convincing the trial court that *res judicata* did not apply is a *per se* and unassailable adjudication of its good faith in asserting that *res judicata* did not apply. But, as noted, this is a pure question of law and *PRE* recognized in such an instance that

probable cause, *i.e.*, good faith or lack of it, is decided as a question of law, declaring:

> Where, as here, there is no dispute over the predicate facts of the underlying legal proceeding, a court may decide probable cause as a matter of law.

"The patentably distinct subject matter" test which was used by the trial court in holding *res judicata* to be inapplicable unarguably is not the proper one for determining whether a subsequent suit on a different patent claim is barred by prior litigation. In analyzing the scope of *res judicata* in the context of patent litigation, this court has ruled that "claim" does not refer to a "claim in a patent" but "is used in the sense of *the facts giving rise to the suit.*" *Foster v. Hallco Mfg. Co.*, 947 F.2d 469, 478, 20 USPQ2d 1241, 1248 (Fed. Cir. 1991) (emphasis supplied).

AHP's patent rights to the compound claim for norgestrel acetate embracing all uses thereof ended when Claim 19 of the '322 patent expired on November 26, 1991. But the subsumed and overlapping patent claim of the '746 patent for an oral contraceptive use of the norgestrel acetate compound did not expire until over two years later, in January 1994.

AHP asserted the product claim in the '322 patent for norgestrel acetate in *AHP I*. It also could have asserted the therapeutic use claims for the product in the '746 patent (Claims 4 and 5). It elected not to do so because (a) by its own admission, AHP had no proof of infringement (A4662) and (b) it wished to manufacture the paper trail described above as a surrogate for such proof of infringement. Its own in-house counsel admitted at the trial of *AHP II* that AHP was aware of the availability of making the infringement

charge under the method of use claims in the '746 patent, but decided prior to the trial in *AHP I* to await the results of that trial before suing on the '746 patent. (A5758).

In an attempt to avoid being barred from later suing on the '746 patent, AHP put the '746 patent into reexamination in the Patent Office in June, 1990, the day before the *AHP I* trial was to begin. (A5751). The ostensible reason for reexamination was to secure a new claim (Claim 6) that was narrower than the existing norgestrel acetate method of use claims. AHP instituted *AHP II* on September 1, 1991, the day Claim 6 was allowed in reexamination. Nevertheless, AHP admitted that if the narrower Claim 6 was infringed, then so was the original broader claim, Claim 5, which covered *all* therapeutic uses of norgestrel acetate, including the specific one asserted in Claim 6, namely, use as an oral contraceptive. Thus, AHP admitted that it could have sued on the '746 patent after it had been put into reexamination, but prior to issuance of Claim 6 in the reexamination.

Twice the Federal Circuit has recently stressed that the test for permitting further related patent litigation should be whether the subsequent patent deals with the "same patentable subject matter," not the test used by the trial court of whether two separate patent claims could be issued. *In re Deckler*, 977 F.2d 1449 (Fed. Cir. 1992). *See also In re Kathawala*, 9 F.3d 942, 28 USPQ2d 1785 (Fed. Cir. 1993); *In re Pleuddemann*, 910 F.2d 823, 825-26, 15 USPQ2d 1738, 1740 (Fed. Cir. 1990).

Finally, *Keene Corp. v. United States*, __ U.S. __, 113 S.Ct. 2035 (1993), affirming the decision by the Federal Circuit *en banc* in *UNR Industries, Inc. v. United States*, 962 F.2d 1013 (Fed. Cir. 1992), underscores the point that the bar of *res judicata* in this case is inarguably applicable.

Keene, although not dealing with patent law but rather with claims under the Federal Torts Claims Act, applied broad general principles of *res judicata*.

In the final analysis AHP's argument rests upon mistaken assumptions. It assumes it had an absolute right to have J&J's charge of sham litigation dismissed on the face of the pleading. It did not. It assumes that it had an absolute right not to have the counterclaim tried without moving for summary judgment after completion of discovery. It did not. It assumes that it had the right to insist upon J&J's counterclaim of sham litigation being tried with its infringement claim and then as of right get another trial on the infringement claim in the event it lost. It does not. It assumes that there was no evidence supporting J&J's charge of sham litigation. There was. It assumes that the jury did not follow the instructions which were agreed upon by both sides which carefully delineated the requirements for proving both the infringement case and the sham litigation charge. There is no basis for this conjecture.

II. The Content Of The Agreed Upon Charge On The Doctrine Of Equivalents Is Not A Proper Subject For Review By This Court

AHP claims that there was error worthy of this court's remedial intervention by its having consented to a charge of infringement under the doctrine of equivalents which instructed the jury to consider equitable factors in determining whether or not that doctrine was applicable.

AHP agreed to this charge and did so with knowledge, actual or constructive, that the Federal Circuit in *Hilton Davis Chemical Co. v. Warner Jenkinson Co.*, 45 F.3d 442 (unpublished), No. 93-1088, 1993 WL 761179 (Fed. Cir., Dec. 3, 1993), was considering whether or not

there was a threshold equitable requirement for applying the doctrine of equivalents prior to the court's submitting this case to the jury and charging it. The trial began on December 1, 1993. Two days thereafter the Federal Circuit *sua sponte* ordered the appeal in *Hilton Davis* to be decided *en banc*. The news of this startling order was widely publicized to the Patent Bar. *See e.g.*, BNA's Patent, Trademark and Copyright Journal (the "PTCJ"), Vol. 47, 12/9/93 ed. The PTCJ is widely read by the patent bar and that edition of that advance sheet had an extensive discussion of the order of *en banc* review of the doctrine of equivalents, including the ruling by the Federal Circuit in this case on the reversal of the preliminary injunction, *American Home Products Corp. v. Johnson & Johnson*, 25 U.S.P.Q.2d 1994 at 1956. (Fed. Cir. 1992). It pointedly emphasized that in this case [*AHP II*] "Judge Plager complained that the district court failed to 'take into account the critical equitable aspect in its doctrine of equivalents analysis,' citing *London*."

This case was not submitted to the jury until December 16, 1993. At no time did AHP object to the court's charging that applying the doctrine of equivalents required consideration of equitable factors. Nor did it do so in its motion for a new trial made in January 1994.

Contrary to what AHP tells this court (Pet. p. 12 at n.6), it did not raise the propriety of the District Court's charging these equitable factors to the jury on the appeal. Its opening brief never cited the *Hilton Davis en banc* review order, and it never argued that if the *Hilton Davis en banc* decision were to contain a ruling that equitable factors were not to be considered in a doctrine of equivalents charge, then the jury instructions given in this case were improper and required a new trial.

It resisted J&J's request to have the court consider these equitable factors, and successfully insisted that the jury consider them in a charge to which both sides unequivocally agreed. It, nevertheless, proceeded to argue on appeal that the equitable factors should have been considered by the court, as opposed to the jury. The second point in AHP's opening brief was captioned as follows:

> "Point 2. The District Court Erred As A Matter of Law In Instructing The Jury To Consider The Equities Under the Doctrine Of Equivalents
>
> B. The Issue Is for the Court Alone"

AHP's Opening Brief on appeal dated 5/2/94, p. 31.

Under this point it argued that whether the doctrine should be applied "is a matter for the court alone" and, alternatively, that "the only equities to be considered, if any [by the jury] in determining infringement under the doctrine of equivalents, are those arising from J&J's conduct." *Id.* at pp. 32-33. In J&J's responding brief the pendency of the *en banc* review of this issue in *Hilton Davis* was discussed, and after noting that it "has long been an open question" as to whether the doctrine is an equitable remedy, J&J's answering brief pointed out the following:

> At no time during the course of this proceeding did AHP assert that the court, not the jury, should determine any disputed factual issue on its infringement case -- whether relating to claim interpretation or characteristics of the accused drug or copying.

Answering Brief of J&J filed 6/13/94, p. 40.

In its reply brief AHP then proceeded to argue, just as it did in the district court, that the equities "were certainly in AHP's favor on [this threshold requirements] issue." AHP Reply Brief, p. 21. Again, AHP made no mention of the pending *en banc* consideration of *Hilton Davis*, nor did it advance the argument that applying equitable considerations in a doctrine of equivalents analysis was plain error. The plain error rule is applicable in this case and would have allowed the appeals court to evaluate the correctness of the charge on the doctrine of equivalents even though no exception to the charge has been taken.

Thus, for AHP to represent to this court that the Federal Circuit refused to rule on the erroneous jury instructions, thereby depriving AHP of its right to appeal is, to say the least, revisionist history.

CONCLUSION

The Federal Circuit was correct in ruling that there was no abuse of discretion committed by the trial court in denying AHP's motion for a new trial on the basis that the sham litigation counterclaim which AHP insisted upon being tried simultaneously with its infringement charge deprived it of a fair trial. AHP's second reason for review, namely, that there was error in submitting the doctrine of equivalents charge to the jury is raised for the first time in the four year history of this case on this petition for a rehearing. It is not a valid basis for the exercise of this court's jurisdiction.

Dated: December 6, 1995

Respectfully submitted,

By: /s/ David F. Dobbins
David F. Dobbins
PATTERSON, BELKNAP,
WEBB & TYLER, LLP
1133 Avenue of the Americas
New York, New York 10036
(212) 336-2000

Counsel of Record for Respondents

Of Counsel:

Eric I. Harris
JOHNSON & JOHNSON
One Johnson & Johnson Plaza
New Brunswick, NJ 08933